CONTRADICTIONS IN CORPORATE SOCIAL RESPONSIBILITY

The pharmaceutical industry and medicines for the poor

wemos

Health for All

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1. Introduction

Diseases such as HIV/AIDS and malaria as well as lesser-known ones like lymphatic filariasis are causing tremendous health problems for developing countries: every 30 seconds an African child dies of malaria and in 2004, 3.1 million people died of AIDS (1). However, most developing countries do not have access to good quality, affordable drugs for treating these diseases.

As a response to the health crises in developing countries and the insufficient access to affordable drugs, around 90 of what are known as Global Public-Private Partnerships (GPPPs) have been set up over the last decade. Although these partnerships are varied, they all share some basic characteristics. They form collaborations or partnerships made up of a United Nations (UN) body such as the World Health Organization (WHO), national governments, corporations, foundations and non-governmental organisations (NGOs). The world's largest pharmaceutical companies are also involved in these partnerships, and they provide drugs to the partnerships, usually at a reduced price or as a donation.

Why is it that today we see powerful branded pharmaceutical giants like GlaxoSmithKline (GSK) and Aventis involved in these partnerships? Is it, as the companies state, the result of a genuine desire to behave in a socially responsible manner towards developing countries and therefore take serious steps towards improving access to affordable drugs? If that is the case, then the commitment to increase access to affordable drugs should also be reflected in other policies of these companies.

One aspect of policies that have an impact on access to medicines is research and development (R&D): There is lack of investment in drugs for diseases prevalent in developing countries. Only 10% of the R&D budgets of pharmaceutical companies goes towards these diseases, even though these make up 90% of the global disease burden. As a result, developing countries are stuck with outdated medicines or no medicines at all for these diseases.

Patent protection is another aspect that impacts access to affordable drugs. This gives pharmaceutical companies a monopoly on sales for up to 20 years, virtually ruling out competition and allowing companies to ask whatever price they like. Usually, branded pharmaceutical companies are forced to lower their prices only when generic (unbranded) drugs enter the market. What developing countries need are affordable prices for a broad range of vital medicines.

Participating in partnerships is presented as an act of corporate social responsibility by pharmaceutical companies. Because more is needed to improve access to affordable medicines for developing countries, the real question is whether this corporate social behaviour also extends to other, related aspects. In other words: Are pharmaceutical companies consistent in their corporate social behaviour with regard to drugs for developing countries?

The Dutch Centre for Research on Multinational Corporations (SOMO) studied the role of pharmaceutical companies in GPPPs (including the Global Alliance to Eliminate Lymphatic Filariasis and the Global Polio Eradication Initiative). In this booklet, Wemos outlines these findings: first, by placing them in a wider context by examining several trends in the industry related to corporate social responsibility, and then by focusing on individual companies.

2. Trends

Corporate social responsibility (CSR)

The last decade saw deepening concern about the increasing power of multinational corporations and the social, environmental and economical consequences of their business activities. Industry understood the importance of addressing these concerns, not in the least because they reflect on the company's image, which in turn affects economic outcomes. Nowadays, most multinational corporations have elaborate policies on corporate social responsibility (CSR). In 2002, the NGOs Oxfam, Save the Children and VSO developed benchmarks for measuring pharmaceutical companies' CSR performance. These benchmarks are related to access to medicines (2) in developing countries, and include the following:

- Patents and generic competition
- Research and development
- Pricing policy for medicines
- Participation in Global Public-Private Partnerships

Patents and generic competition

Previous to 1999, the production of HIV/AIDS treatment was dominated by large branded pharmaceutical companies. These companies offered anti-retroviral drugs (ARVs) at a cost of around US$10,000 per patient per year, which meant the majority of HIV/AIDS patients in Africa could not afford these drugs. Then the Indian generic manufacturer Cipla launched an unbranded copy of the existing HIV/AIDS treatment for a price of less than 10% of the branded version. This had a dramatic effect on access to ARV therapy for African HIV/AIDS patients, and clearly showed the effect generic competition can have on the price level of drugs.

However this generic competition will become increasingly difficult now that important countries for the production of generics like India are obliged to implement rules that enforce patent protection. These rules are a result of the TRIPS (Trade-Related aspects of Intellectual Property Rights) agreement made in 1994 in the World Trade Organization (WTO). This agreement allows a drug patent holder to have a monopoly on sales for the duration of the patent, usually 20 years, minus the years for the development of the drug. As a result of this monopoly, the company that holds the patent can ask whatever price it likes. According to pharmaceutical companies, patent protection is needed to cover its high R&D costs. However, most if not all of these companies spend twice as much on marketing their products than they do on R&D. The TRIPS agreement does include safeguards countries can use to ensure patents do not limit access to medicines, for example, by issuing compulsory licenses. This allows developing countries to import or produce generic (unbranded) versions of medicines

without the approval of the patent holder. Countries can use these safeguards provided they integrate them in their legislation, but one of the problems with these safeguards is that Western countries like the United States are trying to dissuade developing countries from integrating them in this way. Furthermore, they try to convince them to adopt stronger patent protection (known as TRIPS-Plus) than that required by the TRIPS agreement.

The US tries to influence developing countries through trade agreements and biased technical assistance for the design and implementation of intellectual property regimes. This assistance is provided through United States Agency for International Development (USAID) and other US agencies. Such influence helped to shape Uganda's 2002 Industrial Property Bill, which was to have extended TRIPS patent protection and was only rejected as a result of counter-lobbying by development organisations. However, several regional and bilateral free trade agreements (FTAs) have already been signed and contain intellectual property provisions harmful to developing countries' access to medicines. These agreements include the Central American Free Trade Agreement (CAFTA), the US-Singapore Free Trade Agreement and the US-Morocco Free Trade Agreement (3).

The branded industry lobbies the American government through the Pharmaceutical Research and Manufacturers of America (PhRMA), which is pushing a TRIPS-Plus agenda to extend patent rights. This lobby focuses on limiting compulsory licensing, extending data exclusivity and denying generic producers the right to refer to the patent holders' clinical test data. These measures are obstacles for generic producers.

PhRMA has about 600 lobbyists in Washington D.C. and spends millions of dollars each year on lobbying. Furthermore, the pharmaceutical companies are trying to influence the American government by spending millions during election time. During the 2002 election campaign, the industry gave a total of US$29 million in contributions to political parties, 74% of which went to the Republican Party.

Generic competition is important to developing countries' access to affordable medicines. The TRIPS agreement and lobbying by pharmaceutical companies for even stronger patent protection is jeopardising the access to affordable medicines.

Research and development (R&D)

Pharmaceutical companies' R&D expenditures are mainly aimed at medicines for diseases prevalent in rich countries. About 10% of R&D investment is spent on diseases prevalent in the developing world, which account for 90% of the total global disease burden. Treatment is outdated and often toxic for many 'neglected diseases' like sleeping sickness, Kala-Azar and Chagas disease. The reason better treatments are not being researched is that they form 'small markets', which means little profit is expected and that they will not yield sufficient returns on their R&D investment. This contrasts with drugs for diseases of the developed world, such as anti-depressants and those for high cholesterol levels, which yield millions of dollars each year.

In the past few years many GPPPs have been set up to address this 'research gap' for medicines for developing countries. R&D has been initiated for diseases of developing countries with funds from donor governments and private foundations such as the Bill and Melinda Gates Foundation. The Global Alliance for Vaccines and Immunization (GAVI) aims to support the development of new vaccines as well as to expand the use of existing, underutilised vaccines in 74 countries. GSK and Aventis are both involved in this partnership, and contribute their know-how. Funding is mainly provided by donor governments and foundations. Its very existence demonstrates that industry does not see a profitable market in the developing world. This is even acknowledged in GAVI's aims, which include demonstrating to 'vaccine manufacturers that a developing country market exists for newer vaccines'.

So far, the CSR behaviour of pharmaceutical companies has not resulted in the investment of sufficient resources in R&D for medicines for diseases of the poor. Although GPPPs do invest in R&D, these efforts are funded mainly by donor governments and charitable foundations.

Pricing policy for medicines

Pricing is one of the areas where pharmaceutical companies can make a major contribution to enhance access to medicines in developing countries. Lower medicine prices can considerably increase their availability to poor populations. Sales in poor countries, especially the least developed countries, typically generate a very small proportion of a pharmaceutical company's total sales. Companies could therefore supply medicines to these countries at differential, heavily reduced prices. However, at present pharmaceutical companies do not have a systematic approach to price reductions for a broad range of drugs vital to developing countries, and negotiations on price reductions often take place on a case-by-case basis, which means a developing country negotiates with a pharmaceutical company on a price reduction for a single drug. Individual

negotiations often lack transparency and countries have no information on the prices of drugs offered to others. Furthermore, the governments of developing countries may be required to offer advantages to the company in exchange, such as keeping negotiated medicine prices secret or not resorting to generic drugs.

Pharmaceutical companies need to lower the prices of a broad range of medicines vital to developing countries, and they should do so in a transparent way.

Participation in public private partnerships

As has been described above, GPPPs are partly the result of a market failure. At the same time, a lack of resources among UN bodies like the WHO prevented them from stopping the deterioration of the health of the world's poor.

Meanwhile, there was an increasing perception among donor countries that UN bodies were too bureaucratic to deal with these huge problems. It was felt the private sector was needed as a partner because of the sector's resources and effectiveness. For its part, the private sector wanted to demonstrate its willingness to improve its CSR performance.

Globally there are about 90 GPPPs working on the health problems of the poor. They bring together UN bodies such as the WHO, national governments, private foundations like the Bill and Melinda Gates Foundation and pharmaceutical companies. Typically, donor governments and private foundations provide the partnership with funds, UN bodies offer technical guidance and pharmaceutical companies provide the partnership with medicines. Examination of the objectives, activities and strategies of GPPPs reveals an overriding emphasis on specific diseases, linked to access to or development of a specific drug or vaccine. Diseases commonly targeted are malaria, TB, HIV/AIDS and other infectious diseases.

Former WHO director Gro Harlem Brundtland also argued that the complexity of today's health situation requires all sectors to pull together, including business. In this context, the WHO developed guidelines on working with the private sector. However most of the partnerships do not use these guidelines. The study also found that some of them lacked transparency concerning governance and conditions for cooperation. This issue is especially relevant when pharmaceutical companies have a decision-making role in the partnership. Transparent procedures are needed to examine whether decision-making is being done in the best interest of developing countries and is not profit-driven.

It is very important that decision-making in GPPPs be transparent in order to prevent potential conflicts of interest from harming developing countries' access to medicines.

3. The role of pharmaceutical companies in partnerships

GlaxoSmithKline (GSK)

GSK is one of the world's largest research-based pharmaceutical companies. Among its biggest selling products are anti-depressants and drugs to treat diabetes. In 2003, GSKs blockbusters each generated €1 billion in sales. In that same year, the company's sales totalled around €30 billion and it had a net profit of €6 billion. By comparison, in 2003 Uganda's estimated Gross Domestic Product (GDP) was around €5 billion. GSK also produces a broad range of products relevant to developing countries, including anti-malarial and anti-retroviral drugs, and anti-tuberculosis (TB) drugs and vaccines.

GSK's 2001 publication Facing the Challenge outlined its policy on access to medicines in developing countries. The company identified three key areas in which it can make valuable contributions: R&D for diseases of poverty, sustainable preferential pricing and community investment. In 2003, GSK adopted an explicit set of principles to guide its policy on CSR.

GSK claims to have the most extensive portfolio of products and R&D projects for diseases of the developing world, including the prevention and treatment of HIV/AIDS, TB and malaria. There is a special team based in Spain and the UK dedicated to R&D for these diseases. The budget for this R&D endeavour was not known at the time of the study.

According to the company, assuming this is not possible in high-income markets, the two main ways to recover R&D expenses for these medicines are through partnerships or procurement by a donor government.

GSK is increasingly involved in the GPPPs for developing medicines for developing countries. It considers these partnerships to be essential for maximising combined expertise in the development of a medicine. GPPPs also offer financial support for R&D programmes. GSK receives support from GAVI (US$30 million) for the current Phase III clinical trials of its rotavirus and pneumococcus vaccines. Because there is also a substantial market for the rotavirus vaccine in high-income countries, the support for development could possibly yield business interests as well.

In 2000, GSK became a founding member of the Accelerating Access Initiative (AAI)[1], a partnership seeking to increase access to AIDS treatments in developing countries through price reductions negotiated by these countries with pharmaceutical companies. According to Act Up-Paris, the pharmaceutical companies in the AAI required countries to sign confidential agreements that aim to prevent competition with generic HIV/AIDS medicines(4). At present, GSK only negotiates individual pricing arrangements with middle-income countries. Uganda was the first country to sign an agreement with a pharmaceutical company. Although the agreement was signed in May 2000 with promises of price reductions, the most significant reductions took place after generic ARVs were imported from India, when pharmaceutical companies dropped their prices with as much as 75% (5).

GSK argues that patent protection is important for encouraging innovations in R&D. Like most pharmaceutical companies, it is a member of PhRMA, which lobbies for the TRIPS-Plus agenda. Although the company has stated it does not lobby the governments of developed country to press for TRIPS-Plus legislation, AIDS activists claim that GSK is a hardliner on patent protection.

Following a case filed by the Treatment Action Campaign (a movement that campaigns for access to HIV treatment for South Africans) the previous year, in October 2003 the South African Competition Commission found GSK (and also

[1]The Accelerating Access Initiative (AAI) is a cooperative endeavour of UNAIDS, WHO, UNICEF, UNPF, the World Bank and seven research-based pharmaceutical companies (including GSK, Merck and Boehringer Ingelheim). UNAIDS supports developing countries in negotiating with pharmaceutical companies on price reductions for ARVs.

Boehringer Ingelheim) culpable of charging excessive prices for ARVs and refusing to issue licenses to generic manufacturers in return for a reasonable royalty. This led to an agreement between the TAC and GSK to grant four licenses for generic companies to produce, distribute, sell, export and/or import ARVs. It also allowed generics produced in South Africa to be exported to the rest of sub-Saharan Africa (6). The case of South Africa shows that public and legal pressure helps to push companies towards greater corporate social behaviour.

GSK now offers a broad range of ARVs at preferential prices. However, other drugs for diseases prevalent in developing countries such as leishmaniasis still remain unaffordable.

In previous years, GSK has made the news in both positive and negative ways. For example, it was recognised for its leadership in fighting tropical infectious diseases by the American Society of Tropical Medicine and Hygiene. On the negative side, it has been accused of irresponsible drug promotion, patent fraud and tax evasion. For example, in 2004 the US Internal Revenue Service (IRS) charged GSK with underpaying US$5.2 billion in taxes on profits on US sales between 1989 and 1996.

GlaxoSmithKline's role within the Global Alliance to Eliminate Lymphatic Filariasis (GAELF)

GAELF and Lymphatic Filariasis

Lymphatic filariasis (LF) is caused by thread-like worms that live in the human lymphatic system. The disease is transferred to humans by mosquitoes. Genital damage and lymphatic swellings are the most recognisable manifestations of the disease. Currently more than 120 million people are affected.

GAELF was originally launched by the WHO and GSK in 1998 with the aim of eliminating lymphatic filariasis by 2020. The strategy is to interrupt transmission of LF by mass drug administration (MDA). The WHO recommends a combination of albendazole and DEC, except for countries where river blindness is also endemic. In that case a combination of albendazole and Mectizan is recommended. GAELF is currently operating in 34 countries; it depends entirely on drug donations by pharmaceutical companies, without which it could not exist.

By the end of 2002, a total of 54,689,600 people had received drug co-administration through MDA in 32 countries participating in the Programme to Eliminate Lymphatic Filariasis. By comparison, in 2000, 12 countries participated and 3 million people at risk were covered (www.filariasis.org).

GSK has an open-ended commitment to donate whatever amounts of albendazole are required to eliminate lymphatic filariasis. The albendazole is donated to the WHO and at country level, and the drug is administered by national programmes.

Though GSK is in fact opposed to donation – arguing it is unsustainable in the long term – it has made an exception for GAELF. The company argues that in this case donation is feasible because the commitment is finite. If a local population is treated for five years (the lifetime of the adult worm that causes the disease), then the disease will be eradicated.

In 2003, GSK donated 94 million albendazole tablets, valued at US$18 million at wholesale acquisition cost. In addition, GSK contributed to the partnership grants of approximately US$1.5 million as well as staff and expertise. The total quantity of required albendazole for 20 years is estimated to be 6 billion tablets, with an associated wholesale value of roughly US$1 billion. However, it is important to note that if this amount of tablets were to be procured from a generic company the price would be about approximately US$ 150 million.

GlaxoSmithKline sees its involvement in partnerships as one of the three areas where it can contribute to improving health in poor countries, in addition to R&D and preferential pricing. Considerable resources are involved, and GSK believes it benefits by improving its employees' pride in the company and in developing good relations with governments in developing countries and other involved organisations.

Concerns have also been raised that GSK may have less selfless motivations: Zentel, the branded version of albendazole, is widely used in developing countries for deworming, and is administered at least twice a year for this purpose. Sometimes there is partial integration with the GAELF: this means that once the drug is given for LF and is provided a second time each year outside of the GAELF, it is also effective for deworming in general. GSK says it is working to increase integration of LF and the deworming programme, but that there is still some way to go. The albendazole donations are to be used for LF only; GSK does not want to donate the drug for use in deworming. While it is positive that GSK is striving towards integrating the different programmes, on the other hand this could also lead to unfair competition for local producers. For example, in India albendazole is locally produced. If Zentel were to be integrated in the LF programme and governments (including donor governments) buy Zentel from GSK, local producers would be sidelined and they would no longer have an incentive to produce.

These concerns are fuelled by the lack of transparency concerning the governance of GAELF. GSK has a central position in governing bodies and decision-making. However, the precise composition of governing bodies has not been made known and minutes or reports of the meetings of these bodies are not publicly available. The Memorandum of Understanding GSK signed with the WHO and which spells out its specific commitments to the partnerships has not been publicly disclosed.

GlaxoSmithKline plays a crucial role in the GAELF partnership. Its commitment to donating albendazole for free until the disease is eradicated is undeniably laudable and the results the partnership has achieved so far are impressive. In order for developing countries to have access to medicines, more is needed. If GSK is serious about its commitment to access to medicines in developing countries, it should also refrain from lobbying for TRIPS-Plus: this effectively rules out generic competition, which is crucial to lower prices. GSK has substantially lowered its prices for its ARV treatments, which is a very important step. These price reductions should be extended to a broad range of medicines vital for developing countries.

Aventis

Aventis merged with Sanofi-Synthélabo in 2004 and is now called Sanofi Aventis. The research on which this booklet is based, was done before the merger. Therefore we refer to the company as Aventis.
It is one of the world's largest pharmaceutical corporations: even before the takeover it enjoyed a 6% share of world markets and had a net annual profit of € 1.9 billion; its sales generated € 17,815 billion. Aventis' core business is based around a handful of branded blockbuster drugs that tackle diseases such as cancer, thrombosis and allergies, and each provides more than € 1 billion in global sales. Aventis is also one of the world's largest vaccine producers; sales in this area have tripled in the last decade.

In 2003, Aventis adopted a new sustainability policy, which forms an overarching CSR policy. On the issue of patents, like most major pharmaceutical companies, Aventis is a member of the US-based PhRMA and as such it supports patent protection that goes further than the TRIPS agreement.

Aventis supports a policy of tiered pricing of vaccines on the condition there is parallel importation control. Differential pricing of vaccines is limited to a few international buyers and governments of poor countries. Like most pharmaceutical companies, Aventis does not have a policy on structural differential pricing for all of its medicines relevant to developing countries.

The company perceives that differential pricing of new vaccines is now becoming more difficult, because the vaccines used in developing countries are no longer the same as those used in high-income countries. For example, polio immunisation campaigns in developing countries use Oral Polio Vaccine (OPV), while in high-income countries Inactivated Polio Vaccine (IPV) is used for regular immunisation. The reason for this is that OPV may cause polio in rare cases; OPV, however, is much cheaper than IPV. Some of Aventis' R&D programmes are of special relevance to developing countries. However, the company does not describe any special commitments or explicit targets (for example in terms of expenditure) for R&D on the diseases of poverty.

Indicative of some pharmaceutical companies' commitment to neglected diseases is the case of sleeping sickness, a disease which, if left untreated, leads to death. The company wanted to stop production of eflornithine, which is used to treat this disease. Because sleeping sickness is mainly prevalent in poor countries, there wasn't a profitable market for the drug. Production was resumed only after pressure from Médecins sans Frontières (MSF) and the WHO; Aventis is now involved in a partnership with the WHO that aims to eliminate sleeping sickness.

In previous years, Aventis has received both positive and negative publicity. On the positive side, several organisations have recognised Aventis as a good employer, and the company is also listed in several 'socially responsible investment indexes', including the Dow Jones Sustainability World Index. Among the negative publicity, in November 2003, the US Food and Drug Administration (FDA), sent Aventis an official warning to stop disseminating misleading promotional material for it blockbuster anti-cancer drug Taxotere. Promotional materials had given misleading effectiveness claims and omitted important safety information. In 2002, Aventis had received a first warning from the FDA but had taken no action.

Aventis' role in the Global Polio Eradication Initiative (GPEI)

GPEI and polio

Poliomyelitis (polio) is a highly infectious disease caused by a virus that enters the nervous system; it can cause total paralysis in a matter of hours. Children under 5 years of age are most at risk of polio.

When the GPEI was launched in 1988, the WHO aimed at total polio eradication by 2000 through large-scale vaccination programmes using OPV (Oral Polio Vaccine). The results of the GPEI are impressive: in 1988 there were 350,000 cases annually; by 2000 this was just 800. The number of polio-endemic countries has fallen from more than 125 to 6. However, polio is now again on the rise and is spreading to previously polio-free countries.

The GPEI has four major partners: the WHO, Rotary International, UNICEF and the Centers for Disease Control and Prevention (CDC). Aventis is the major vaccine supplier for GPEI. Pharmaceutical companies were eager to phase out OPV production because there was no longer an interesting market for it; GPEI can be seen as a successful attempt to correct this market failure (www.polioeradication.org).

Aventis provides vaccines to the GPEI. Unlike GSK in GAELF, Aventis has no decision-making role in the partnership.

Several vaccine manufacturers have made OPV donations to the WHO and UNICEF. These include Aventis, Chiron and GSK; Aventis became the largest donor. During the peak years 1999 to 2001 it donated 50 million doses.
In addition, on an annual basis it sold 275 to 300 million doses of OPV to UNICEF at preferential prices. In 2001, nearly 2 billion doses of OPV were administered, which makes the amount of donations look rather small. It should be noted that at that time there was a surplus of OPVs because European countries were shifting to IPVs (Inactivated Polio Vaccine). UNICEF purchased the vaccine at approximately US$0.08 per dose, so the value of its donation at UNICEF procurement prices was around US$4 million. In its communications, Aventis wanted to use the market value for its donation, about US$1 to US$2 per vaccine. But the WHO insisted on the procurement price of US$4 million based on the price of US$0.08 per vaccine. In the end it was agreed that Aventis would not mention the financial value in its communications. Aventis' name is visible on each donated vaccine, which underlines an important motive for Aventis' participation in this partnership: these programmes enhance the company's corporate image.
This is a very useful marketing strategy, now that many countries are switching from OPV to IPV, of which Aventis is the largest producer.

The Global Polio Eradication Initiative has made remarkable progress. In this context, Aventis deserves credit for its donations and vaccine sales at reduced prices. The value of the donation should, however, not be exaggerated especially considering there was a surplus of OPV resulting from the phasing out of OPV production. The role of Aventis in partnerships would be more meaningful if the company would refrain from its support of the TRIPS-Plus agenda and if it would have a preferential pricing strategy for all its drugs vital to developing countries.

4. Concluding remarks

Looking at the several aspects of corporate social responsibility related to access to medicines for developing countries, there seem to be some inconsistencies.

The most striking inconsistency is the apparent contradiction between the fact that pharmaceutical companies participate in partnerships (by providing drugs at reduced prices or as donations) that aim to improve access to medicines for developing countries, while on the other hand the same pharmaceutical companies strongly support the lobby for more stringent patent protection than is now required by the TRIPS agreement. This effectively diminishes access to affordable drugs, because it makes it more difficult for developing countries to import and produce affordable generic drugs.

On the issue of research and development, most efforts go through public-private partnerships. This means that it is not pharmaceutical companies that are investing money in this but mainly Western governments and charitable foundations. If these companies are genuinely committed to improving access to medicines, they should invest more in R&D for diseases prevalent in developing countries.

Several companies have substantially lowered their prices, especially for AIDS treatment, and it seems that public and legal pressure has helped in this development. It is expected that prices of medicines will rise as a result of decreasing generic competition because of the implementation of TRIPS in countries like India that produce and export generics. This makes it even more essential that pharmaceutical companies substantially lower the prices of a broad range of medicines vital to developing countries.

In summary, what is needed from pharmaceutical companies in order for developing countries to have access to affordable medicines?

Pharmaceutical companies should cease their lobby for TRIPS-Plus, invest more money in R&D for developing countries, substantially lower prices for a broad range of medicines for developing countries and be transparent about their role in GPPPs.

CSOs and governments in the North and the South have roles to play in holding pharmaceutical companies accountable with regard to their efforts to improve access to medicines for developing countries.

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Explanation of words and abbreviations

Civil society

Civil society covers the space between the activities of the state and the market. Organisations within civil society range from church groups to environmental pressure groups to local credit collectives and trade unions.

Compulsory license

When issued by a government, this allows the production or importation of generic medicines without the consent of the patent holder.

Generics

Drugs not protected by trademark (an example: Acetaminophen is the generic form of the proprietary drug Tylenol).

Global Public-Private Partnerships (GPPPs)

A collaborative relationship that transcends national boundaries and brings together at least three parties – among them a corporation and/or industry association and an intergovernmental organisation – so as to achieve a shared health-creating goal based on a mutually agreed and explicitly defined division of labour.

Leishmaniasis (Kala-azar)

A disease caused by a protozoan parasite Leishmania and transmitted by the bite of a sand fly; the most severe form, visceral leishmaniasis or Kala-azar, is a fatal disease which is found in five tropical countries, but also in southern Europe.

NGO

Non-governmental organisation: not belonging to or associated with a government.

Parallel importation

Importation of patented products without the approval of the patent holder. Parallel importation allows a country to shop around for the best price on a branded drug on the global market. This is an attractive option for developing countries when the same branded medicine is being sold for different prices in different markets.

Patents

Patents permit the owner to exclude others from making, using, importing or selling the patented invention.

UN

United Nations

Voluntary licenses

The patent holder gives permission to produce generic medicines while the patent on the branded version of the drug is still in effect.

WHO

World Health Organization

WTO

World Trade Organization

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